

OPEN MEETING

MEMORANDUM

TO: THE COMMISSION

FROM: Utilities Division

DATE: December 31, 2019

RE: IN THE MATTER OF THE APPLICATION OF CEDAR GROVE WATER, INC.
FOR AUTHORITY TO INCUR LONG-TERM DEBT (DOCKET NO. W-20541A-17-0112).

IN THE MATTER OF THE APPLICATION OF CEDAR GROVE WATER, INC.
FOR APPROVAL OF A RATE INCREASE (DOCKET NO. W-20541A-18-0161).

SUBJECT: APPROVAL OF BULK WATER TARIFF

INTRODUCTION

Enclosed are the Commission Staff's memorandum and proposed order for Cedar Grove Water, Inc. (Docket Nos. W-20541A-17-0112 and W-20541A-18-0161). This is only a Staff recommendation to the Commission; it has not yet become an order of the Commission. The Commission can decide to accept, amend or reject Staff's proposed order.

You may file comments to the recommendation(s) of the proposed order by filing an original and thirteen (13) copies of the comments with the Commission's Docket Control Center at 1200 W. Washington St., Phoenix, AZ 85007 by 4:00 p.m. on or before **January 10, 2020**.

This matter may be scheduled for Commission deliberation at its Open Meetings scheduled **January 14, 2020**, at 10:00 a.m. and **January 15, 2020**, at 10:00 a.m.

If you have any questions about this matter, please contact Luis Carranza of our Staff at (602) 542-0820, or Elijah Abinah, Director, at (602) 542-6935.

BACKGROUND

Cedar Grove Water, Inc. ("Company") is a Class D water utility that provides potable water to approximately 403 customers. The Company is located approximately 12 miles east of Show Low in Apache County, Arizona.

On November 12, 2019, the Company filed its proposed tariff rule establishing the procedure for determining bulk water consumption based on customer self-reported usage.

Pursuant to Decision No. 77368, dated August 19, 2019, the Company's proposed tariff requires Commission approval.

STAFF ANALYSIS AND RECOMMENDATIONS

The proposed tariff requires that, by the 5th day of each month, the bulk water user will provide the Company a report that documents a number of details, including but not limited to, the date water was withdrawn, identification of the truck withdrawing water, number of loads taken per truck per day, volume of water taken per load per day, etc.

Upon receiving the report, the Company will provide an invoice to the bulk user during its normal billing cycle and anticipates payment consistent with normal billing and receivable practices. The bulk water rate approved in Decision No. 77368 is \$9.30 per 1,000 gallons.

Staff has reviewed the proposed tariff rule and concludes that it is a reasonable mechanism for enforcing the bulk water rate for customers.

Staff recommends:

1. That the Commission approve the Company's proposed tariff for bulk water consumption.



Elijah O. Abinah
Director
Utilities Division

EOA:LAC:red\BAH

ORIGINATOR: Luis Carranza

On this 31st day of December, 2019, the foregoing document was filed with Docket Control as a Utilities Division Memorandum & Proposed Order, and copies of the foregoing were mailed on behalf of the Utilities Division to the following who have not consented to email service. On this date or as soon as possible thereafter, the Commission's eDocket program will automatically email a link to the foregoing to the following who have consented to email service.

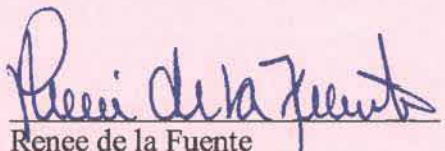
Ms. Robin Mitchell
Arizona Corporation Commission
1200 W. Washington St.
Phoenix, AZ 85007
legaldiv@azcc.gov
utildivservicebyemail@azcc.gov
rmitchell@azcc.gov

Consented to Service by Email

Mr. Steve Wene
Moyes Sellers & Hendricks, LTD
1850 N. Central Ave, 1100
Phoenix, AZ 85004

Mr. William R. Whittington
Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C.
125 North Granite Street
Prescott, AZ 86301

By:


Renee de la Fuente
Administrative Support Specialist

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28

BEFORE THE ARIZONA CORPORATION COMMISSION

ROBERT "BOB" BURNS
Chairman
BOYD DUNN
Commissioner
SANDRA D. KENNEDY
Commissioner
JUSTIN OLSON
Commissioner
LEA MÁRQUEZ PETERSON
Commissioner

IN THE MATIER OF THE APPLICATION
OF CEDAR GROVE WATER, INC. FOR
AUTHORITY TO INCUR LONG-TERM
DEBT

DOCKET NO. W-20541A-17-0112

IN THE MATTER OF THE APPLICATION
OF CEDAR GROVE WATER, INC. FOR
APPROVAL OF A RATE INCREASE

DOCKET NO. W-20541A-18-0161

DECISION NO. _____

ORDER

**APPROVAL OF BULK WATER
TARIFF**

Open Meeting
January 14 and 15, 2020
Phoenix, Arizona

BY THE COMMISSION:

Having considered the entire record herein and being fully advised in the premises, the
Arizona Corporation Commission ("Commission") finds, concludes, and orders that:

FINDINGS OF FACT

1. Cedar Grove Water, Inc. ("Company") is a Class D water utility that provides potable
water to approximately 403 customers. The Company is located approximately 12 miles east of
Show Low in Apache County, Arizona.
2. On November 12, 2019, the Company filed its proposed tariff rule establishing the
procedure for determining bulk water consumption based on customer self-reported usage.
- ...

3. Pursuant to Decision No. 77368, dated August 19, 2019, the Company's proposed tariff requires Commission approval.

Staff Analysis and Recommendations

4. The proposed tariff requires that, by the 5th day of each month, the bulk water user will provide the Company a report that documents a number of details, including but not limited to, the date water was withdrawn, identification of the truck withdrawing water, number of loads taken per truck per day, volume of water taken per load per day, etc.

5. Upon receiving the report, the Company will provide an invoice to the bulk water user during its normal billing cycle and anticipates payment consistent with normal billing and receivable practices. The bulk water rate approved in Decision No. 77368 is \$9.30 per 1,000 gallons.

6. Staff has reviewed the proposed tariff rule and concludes that it is a reasonable mechanism for enforcing the bulk water rate for customers.

7. Staff recommends that the Commission approve the Company's proposed tariff for bulk water consumption.

CONCLUSIONS OF LAW

1. Cedar Grove Water, Inc. is a public service corporation within the meaning of Article XV of the Arizona Constitution and A.R.S. §§40-250, 40-251, 40-285, 40-301, 40-302, 40-321, 40-331, and 40-336.

2. The Commission has jurisdiction over Cedar Grove Water, Inc. and the subject matter of the application.

3. The recommendations stated herein are reasonable and should be adopted.

...

...

...

...

...

...

...

ORDER

IT IS THEREFORE ORDERED that Cedar Grove Water's proposed tariff for bulk water customers is hereby approved.

IT IS FURTHER ORDERED that this Decision shall become effective immediately.

BY THE ORDER OF THE ARIZONA CORPORATION COMMISSION

CHAIRMAN BURNS COMMISSIONER DUNN COMMISSIONER KENNEDY

COMMISSIONER OLSON COMMISSIONER MARQUEZ PETERSON

IN WITNESS WHEREOF, I, MATTHEW J. NEUBERT, Executive Director of the Arizona Corporation Commission, have hereunto, set my hand and caused the official seal of this Commission to be affixed at the Capitol, in the City of Phoenix, this _____ day of _____, 2020.

MATTHEW J. NEUBERT
EXECUTIVE DIRECTOR

DISSENT: _____

DISSENT: _____

EOA:LAC:red/BAH

1 Cedar Grove Water, Inc.
2 Docket Nos. W-20541A-17-0112 et al.

3 Ms. Robin Mitchell
4 Arizona Corporation Commission
5 1200 W. Washington St.
6 Phoenix, AZ 85007
7 legaldiv@azcc.gov
8 utildivservicebyemail@azcc.gov
9 rmitchell@azcc.gov

Consented to Service by Email

8 Mr. Steve Wene
9 Moyes Sellers & Hendricks, LTD
10 1850 N. Central Ave, 1100
11 Phoenix, AZ 85004

11 Mr. William R. Whittington
12 Boyle, Pecharich, Cline, Whittington & Stallings, P.L.L.C.
13 125 North Granite Street
14 Prescott, AZ 86301